

# INTRODUCTION

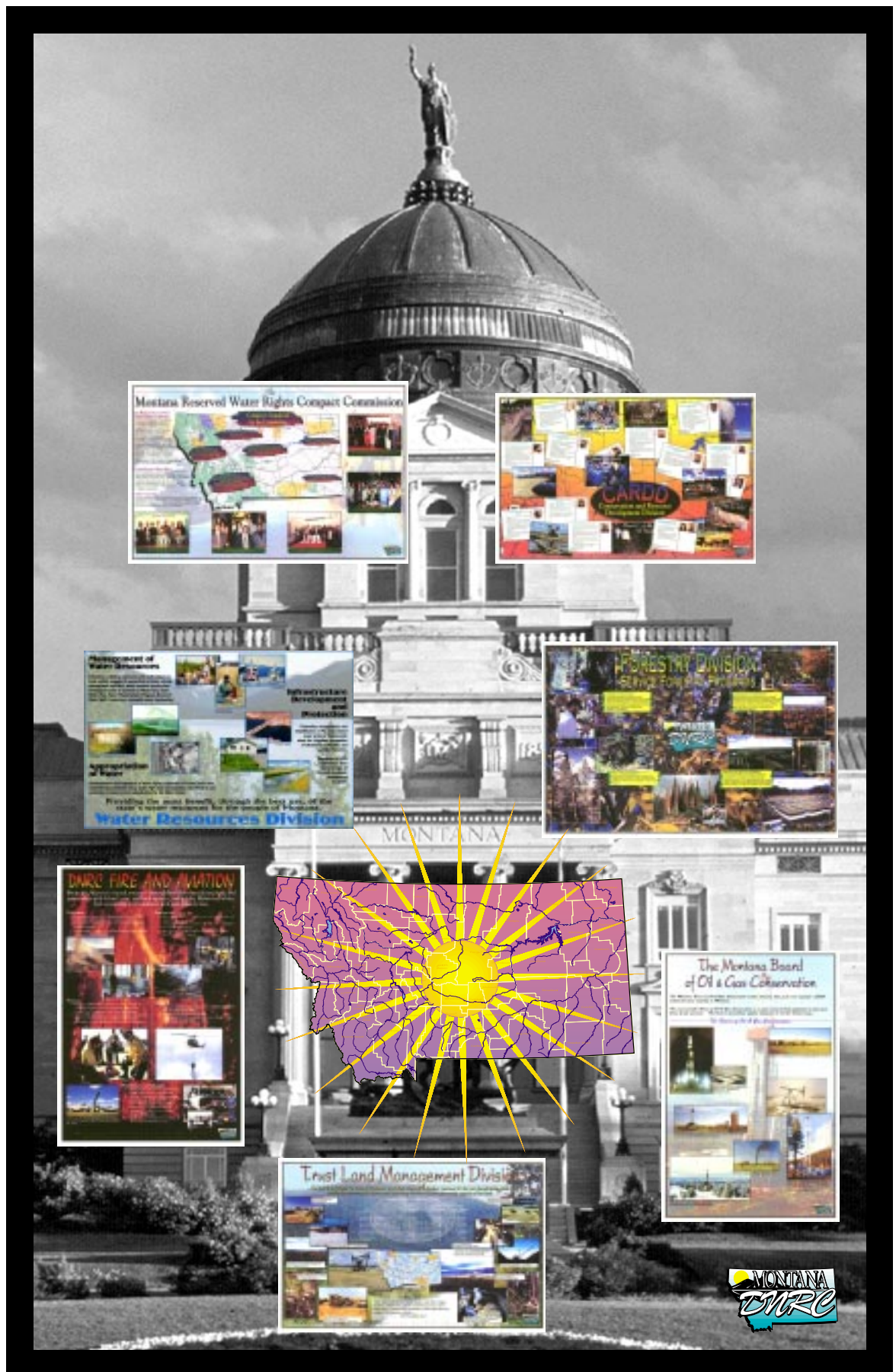


PHOTO COURTESY OF TRAVEL MONTANA

# INTRODUCTION

***“Helping to ensure Montana’s land and water resources provide benefits for present and future generations”*** is the mission of the Montana Department of Natural Resources and Conservation (DNRC).

First established in 1971 as a result of the Executive Reorganization Act of 1971, the department provides leadership in managing the state’s natural resources. In 1995 the department was reorganized as part of the reorganization of Montana’s natural resource and environmental agencies. It is presently responsible for promoting the stewardship of Montana’s water, soil, forest, and rangeland resources and for regulating forest practices and oil and gas exploration and production.

## Department Organization

The director of the Department of Natural Resources and Conservation is Arthur R. “Bud” Clinch.

As shown in Figure 1, nine boards and commissions are attached to the department. Six of them — the Board of Land Commissioners, Reserved Water Rights Compact Commission, Board of Oil and Gas Conservation, Board of Water Well Contractors, Flathead Basin Commission, and Montana Grass Conservation Commission — have decision-making authority. The other three — the Resource Conservation Advisory Council, Rangeland Resources Committee, and Drought Advisory Committee — act in an advisory capacity only.

The department is organized into seven divisions:

- Centralized Services Division
- Conservation and Resource Development Division
- Forestry Division
- Oil and Gas Conservation Division
- Reserved Water Rights Compact Commission
- Trust Land Management Division
- Water Resources Division

Two of the divisions — the Oil and Gas Conservation Division and the Reserved Water Rights Compact Commission — are attached to the department for administrative purposes only.

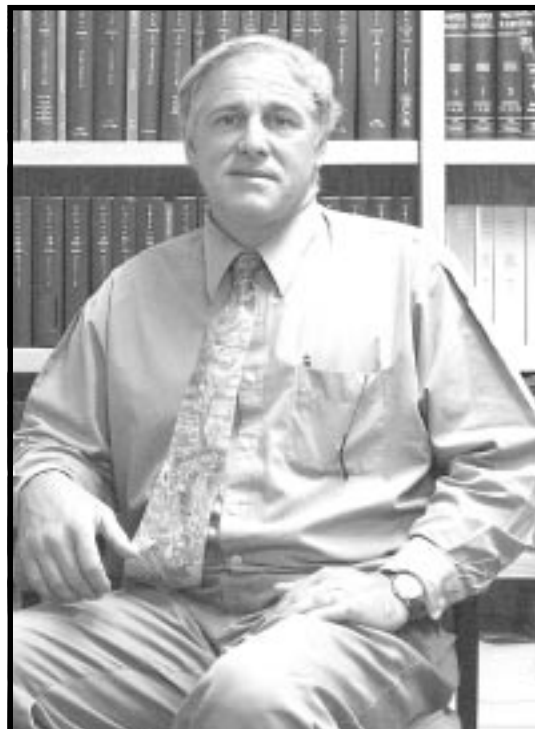
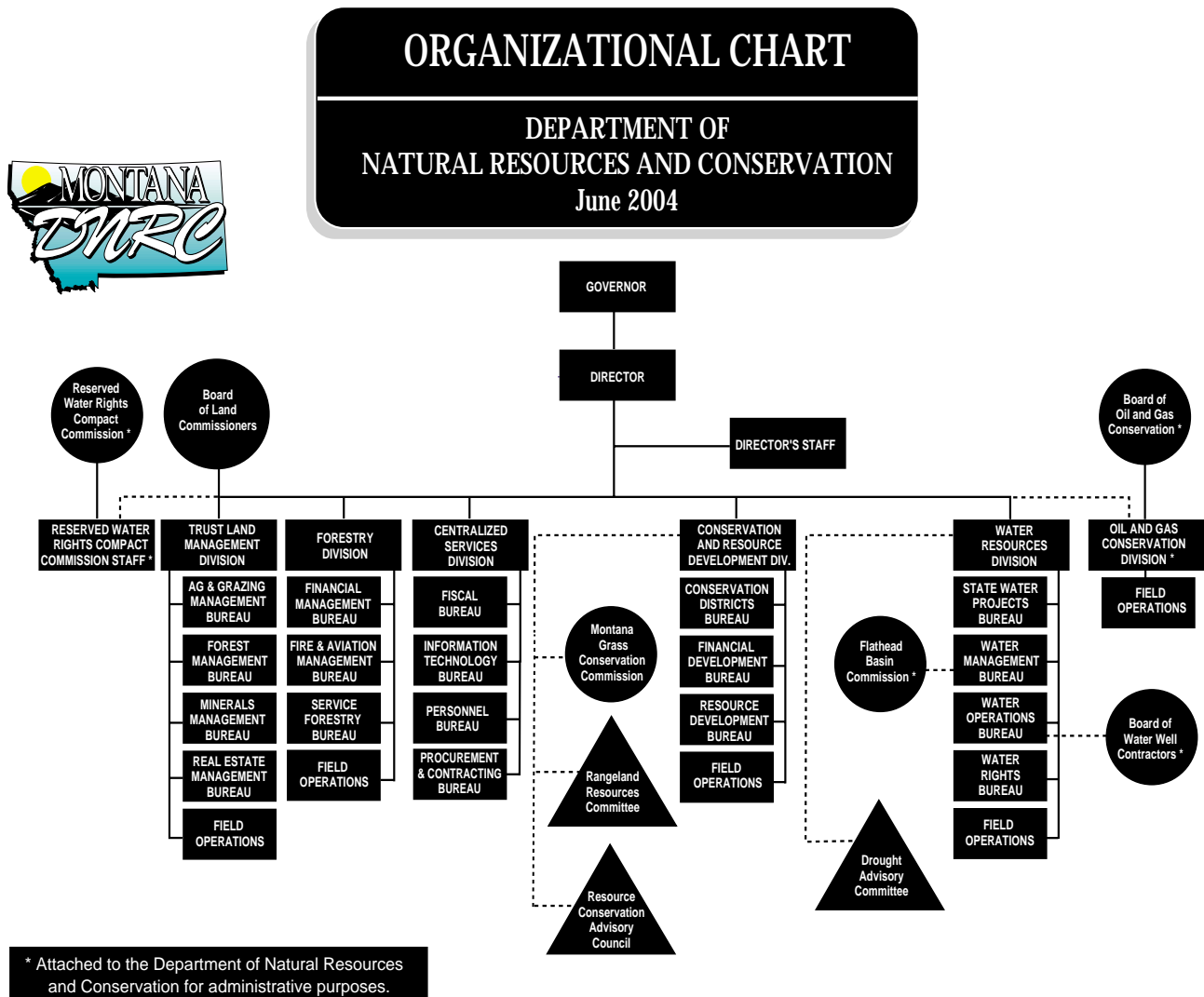


PHOTO BY DAN BUSHNELL

Arthur R. “Bud” Clinch, Department Director

Figure 1



## Division Duties and Responsibilities



PHOTO BY DAN BUSHNELL

Ann Bauchman, Division Administrator

### Centralized Services

The Centralized Services Division provides administrative and operational support to all divisions. Support services include financial management, purchasing, data processing, personnel, legal, reception, and mail. The division coordinates information services and prepares publications and graphic materials for printing. Trust revenues are collected and distributed, and ownership records for trust and nontrust lands are maintained.



## Conservation and Resource Development

The Conservation and Resource Development Division coordinates, supervises, and provides financial and technical assistance to Montana's 58 conservation districts, and it provides technical, financial, and administrative assistance to public and private entities to complete projects that put renewable resources to work, increase the efficiency with which natural resources are used, or solve recognized environmental problems. The division provides administrative support to the Montana Grass Conservation Commission. The division receives advice and guidance from two other attached bodies: the Resource Conservation Advisory Council and the Rangeland Resources Committee.



PHOTO BY DAN BUSHNELL

*Ray Beck, Division Administrator*

## Forestry

The Forestry Division protects the state's forested and nonforested watershed lands from wildfire; provides aviation services; operates a nursery and provides shelterbelt, windbreak, wildlife habitat improvement, reclamation, and reforestation plantings on state and private lands; and regulates forest practices and wildfire hazards created by logging or other forest management operations on private lands.



PHOTO BY CAROL HEATH

*Bob Harrington, Division Administrator*

## Oil and Gas Conservation

PHOTO BY GEORGE HUDAK



*Tom Richmond, Division Administrator*

The Board of Oil and Gas Conservation and its technical support staff are attached to the department for administrative purposes. The quasi-judicial board is comprised of seven members consisting of industry representatives, landowners, and an attorney. They administer Montana's oil and gas laws and the federal Underground Injection Control Program to promote conservation and prevent waste in the recovery of these resources through regulation of oil and gas exploration and production. The board and its staff issue drilling permits; classify wells; establish well spacing units and land pooling orders; inspect drilling, production, and seismic operations; investigate complaints; conduct engineering studies; and collect and maintain complete well data and production information.

## Reserved Water Rights Compact Commission

PHOTO BY DAN BUSHNELL



*Susan Cottingham, Program Manager*

The Reserved Water Rights Compact Commission, which is also administratively attached to the department, was created by the legislature in 1979 as part of the water rights adjudication effort. Commissioners are appointed by the governor, the attorney general, the speaker of the House of Representatives, and the president of the Senate. The nine-member commission and its support staff negotiate water rights with Indian Tribes and federal agencies to establish a formal agreement on the amount of water to be allocated to each interest.

## Trust Land Management

The Trust Land Management Division is responsible for managing the surface and mineral resources of forested, grazing, agricultural, and other classified state trust lands to produce revenue for the benefit of Montana's public schools and other endowed institutions. The Board of Land Commissioners oversees the administration of the state trust land in Montana, as directed by the Montana Constitution. This board consists of Montana's top elected officials: the governor, superintendent of public instruction, secretary of state, attorney general, and state auditor.



PHOTO BY DAN BUSHNELL

*Tom Schultz, Division Administrator*

## Water Resources

The Water Resources Division is responsible for many programs associated with the uses, development, and protection of Montana's water. The division also develops and recommends water policy to the director, governor, and legislature. The division consists of an administration unit and four bureaus: water management, water rights, state water projects, and water operations. Attached to the Water Operations Bureau is the Board of Water Well Contractors, a quasi-judicial board that can issue, suspend, or revoke licenses; promulgate rules and regulations; investigate complaints; and hold disciplinary hearings. The Flathead Basin Commission was transferred from the Governor's Office to DNRC for the 2005 biennium for administrative purposes. The Drought Advisory Committee is also attached to the Water Resources Division.



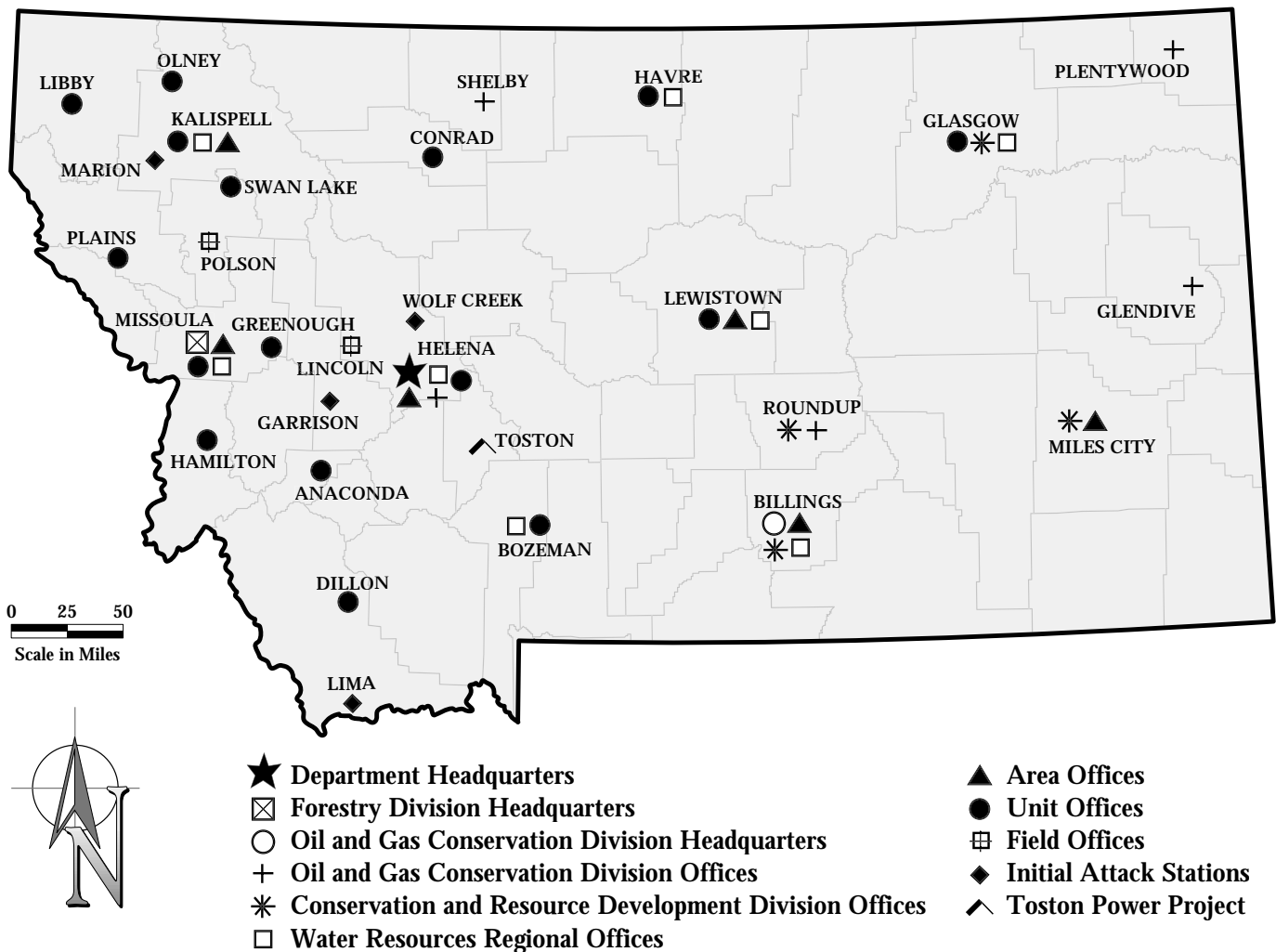
PHOTO BY DAN BUSHNELL

*Jack Stults, Division Administrator*

## Field Offices

Although the department headquarters is located in Helena, the field operations for the department's programs are performed through field offices and personnel located in 29 different communities (see Figure 2). Included are both full time and seasonal employees from the Conservation and Resource Development, Forestry, Oil and Gas Conservation, Trust Land Management, and Water Resources Divisions.

**Figure 2**  
Location of Department of Natural Resources and Conservation Offices





## Financial Information

Table 1 presents budget and funding information for the Department of Natural Resources and Conservation for Fiscal Year (FY) 2004. Expenditures increased significantly in FY 2004 because of the severity of the fire season.

Information on two of the department's funding sources, the Resource Indemnity Tax and the Coal Severance Tax, can be found in Appendix A.

<b>Table 1</b> <b>Department of Natural Resources and Conservation</b> <b>Budget and Funding</b> <b>in Fiscal Year 2004</b>	
<b>Category</b>	<b>Amount</b>
<b>EXPENDITURES</b>	
Personal Services .....	\$28,696,342
Operating Expenses .....	81,294,996
Equipment .....	706,849
Capital Outlay .....	75
Local Assistance .....	213,373
Grants .....	5,855,042
Benefits and Claims .....	1,000,000
Transfers .....	436,118
Debt Service .....	410,033
<b>TOTAL .....</b>	<b>\$118,612,828</b>
<b>FUNDING</b>	
General Fund .....	\$16,484,125
State Special Revenue Fund .....	19,948,357
Federal Special Revenue Fund .....	81,072,814
Proprietary Fund .....	1,098,125
Non-Budgeted Private Fund .....	9,407
<b>TOTAL .....</b>	<b>\$118,612,828</b>

